DEPARTMENT OF JUSTICE

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MANUFACTURED HOME OWNERS AND COMMUNITY OWNERS ACT

This Act found at Title 25, Chapter 70 of the Delaware Code applies to all rental agreements for <u>manufactured home</u> lots and regulates and determines the legal rights, remedies, and obligations of all parties to such a rental agreement. This law does not apply to tenants <u>renting both the home and lot</u> - the Residential Landlord/Tenant Code (Title 25, Chapter 55) applies instead.

Can a Landlord decide <u>not</u> to renew a rental agreement?

No. Once signed, rental agreements, also called leases, are perpetual, which means they <u>automatically renew</u>. The rental agreement renews automatically for the same time period and with the same provisions, except for provisions regarding the amount and payment of rent. Rent can only be increased once in a twelve month period. A landlord may terminate a lease for cause, that is, failure to pay rent, repeated rule violations, or if the use of the land changes. Change in land use requires specific notices and procedures under the Act. If a landlord claims that the lease should not be renewed for cause, the landlord must notify the tenant in writing at least 60 days prior to the expiration of the lease and file a lawsuit in the Justice of the Peace Court for summary possession. The tenant is not required to vacate the premises unless the Court orders summary possession for the landlord. In other words, **unless the landlord has a court order granting summary possession to the landlord, the tenant is not required to leave the premises**.

Must a tenant sign a new lease if the landlord requests it?

No, a tenant is not required to sign a new lease. The old lease automatically renews and only the rent provisions can change. Never sign a lease unless you have fully read, understood and agreed to all of the terms. If a tenant signs a lease, it may be assumed that the tenant read, understood and agreed with the terms of the lease.

How often can a Landlord raise rent?

The tenant's rent cannot be increased more than once during any 12-month period. The landlord is required to give a minimum of 60 days written notice of any rent increases before the rental agreement expires.

What is the difference between "rules and regulations" and "standards"?

Under the Act, "rules and regulations" refer to a conduct or behavior. "Standards" apply to physical structures or how the property looks. Both "rules and regulations" and "standards" must be reasonable. A tenant has 9 years to bring a manufactured home into compliance with standards unless changes need to be made for safety reasons.

When can a landlord enter onto the tenant's leased premises?

A landlord must have permission from the tenant to enter onto the lease premises unless an emergency exists. An emergency situation arises when injury to a person or significant, material damage to the lease premises must be prevented. A landlord can go on the premises to inspect utility connections owned by the landlord after the landlord gives the tenant 72 hours notice. A tenant is not required to give a key to their home to the landlord.

Do I have to leave if I receive a termination notice?

Tenants who receive a termination notice should immediately contact an attorney for legal advice. No tenant can be made to leave the premises unless a court orders them to vacate by granting a landlord's lawsuit for summary possession.

What happens if the community where my home is located closes?

The law allows the landowner to decide to change the use of the property. If the land on which a manufactured home community is located is changing use, tenants may be forced to relocate. A landlord must provide written notice to the tenant one year prior to termination. A tenant may contact the Relocation Authority to apply for financial assistance at 116 W. Water Street, Dover, DE 19901.

What is the Relocation Trust Fund?

The Relocation Trust Fund is administered by the Manufactured Home Relocation Authority. Tenants and landlords must pay a $1.50 monthly assessment fee to the fund for each rented lot. If relocation is necessary, a tenant is entitled to either actual expenses of moving a manufactured home within a 25-mile radius or a maximum relocation payment determined by the Relocation Authority. If the home cannot be relocated, the tenant is entitled to receive compensation in the amount of the fair market value of the home. If a tenant chooses to abandon the home rather than move it, the tenant may be entitled to compensation from the Fund.

When is a tenant not entitled to assistance with relocation expenses?

A tenant is not entitled to relocation expenses if:
- The landlord and tenant mutually agree to move the tenant's home within the community or to another community at the landlord's expense;
- The tenant gave notice to relocate prior to receiving notice of change in land use;
- The tenant abandons the manufactured home;
- The tenant failed to pay the Trust Fund assessment.

What additional fees may a landlord charge a tenant?

No additional fees are permitted unless they are included in the lease. The lease must describe the services for which fees will be charged, such as trash removal, and state who is financially responsible for payment, the landlord or the tenant. A tenant's *utilities fees* may not be more than the actual cost to landlord. *Application fees* may not exceed 10% of the monthly lot rent or $50, whichever is greater. *Optional-user fees* may be charged for use of facilities or services, such as swimming pool or recreation facilities, but non-payment of these fees is not grounds for eviction. *Entrance and exit fees* are not permitted. *Pet deposits* may be required for each pet, but may not exceed one months rent unless mutually agreed upon by landlord and tenant. Tenants must pay a $1.50 monthly *assessment fee* to the Relocation Trust Fund. For further information refer to: *The Manufactured Home Owners and Community Owners Act,* Title 25, Chapter

70 which is posted on the Attorney General's website at www.state.de.us/attgen/